

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF TURNER
WATER SYSTEM

ALLEGED VIOLATION OF KRS
CHAPTER 278

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CASE NO. 96-496

O R D E R

Turner Water System ("Turner") is engaged in the distribution of water to the public for compensation and is subject to the regulatory jurisdiction of this Commission pursuant to KRS 278.040.

On July 10, 1996, a periodic inspection was made of Turner's operations by the Commission's Division of Engineering. Turner's response to the inspection, attached hereto and incorporated herein as Appendix A, was received on August 6, 1996.

According to the report, Turner had increased its flat rate charges to its customers from \$9.00 to \$12.00 per month without approval from the Public Service Commission. The utility is alleged to be making these charges to its customers without Commission approval as required by 807 KAR 5:006, Section 12, and KRS 278.160. Such charges do not appear in Turner's currently effective tariff. Turner's tariffs do not indicate that the subject charges have ever been approved by this Commission.

KRS 278.160 provides:

(1) Under rules prescribed by the commission, each utility shall file with the commission, within such time and in such form as the commission designates, schedules showing all rates and conditions for service established by it and collected or enforced. The utility shall keep copies of its schedules open to public inspection under such rules as the commission prescribes.

(2) No utility shall charge, demand, collect or receive from any person a greater or less compensation for any service rendered or to be rendered than that prescribed in its filed schedules, and no person shall receive any service from any utility for a compensation greater or less than that prescribed in such schedules.

The Commission finds that a prima facie showing has been made that Turner has violated KRS 278.160 by charging unauthorized rates and Turner should cease charging any and all rates not specifically approved by this Commission and not specifically contained in its currently effective tariff.

IT IS THEREFORE ORDERED that:

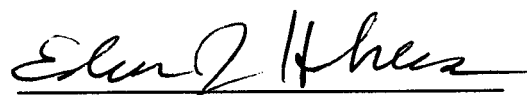
1. Turner shall appear at a hearing scheduled for December 20, 1996, at 10:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, and be prepared to show cause why Turner should not be penalized pursuant to KRS 278.990 for its failure to comply with KRS 278.160.
2. Turner shall immediately cease charging any rates and special charges not specifically approved by this Commission and reflected in its tariff.
3. Turner shall submit a written response to all allegations contained herein within 20 days of the date of this Order.
4. Within 20 days of the date of this Order, Turner shall file a list of all unauthorized charges collected and show each individual customer's name and address

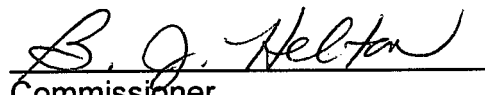
from whom each charge was collected, along with any notices which may have been given its customers either by newspaper or any other manner.

Done at Frankfort, Kentucky, this 28th day of October, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN
CASE NO. 96-496 DATED October 28, 1996.

RECEIVED

AUG 06 1996

R.S.C.
STATES & RESEARCH

Commonwealth of Kentucky
Public Service Commission

730 Schenkel Lane

RECEIVED

Post office Box 615

G 1 1996

Frankfort Ky, 40602

DIVISION OF UTILITY
ENGINEERING & SERVICE

Dear Mr. Smith:

This letter is in response to the inspection that was made of Turner Water System on July 10TH 1996 by Mr. Mike Newton. In response to his report we will be correcting them starting with the rate increase. The rate increase was posted in the newspaper two months before the increase was made. We also notified each customer of a Three dollar increase per month effective January 1995. We thought that this was all that was necessary to increase the water. If there are any future increases we will notify the Public Commission. In response to maintaining the maps as required: starting August the 1ST 1996 and completed By August 1997. In response to the safety program, we will begin to work on it starting August the 1ST and

RATE INCREASE

ending August 1997. Starting August the 1st 1996 and ending August 1997, we will adopt a inspection procedure to assure safe and adequate operations of its facilities as required. Beginning August the 1st and ending August 1997 we will start putting in suitable measuring devices at each source of the supply which we hope to complete all that is necessary By August 1997. we will also Begin August the 1st maintaining a record of the quantity of water produced at each source as specified By August 1997. As we complete the measuring device, we will Begin August the 1st 1996 getting all lines below ground level as specified and ending August 1997. we will Begin August the 1st enlarging the pipes that is necessary and specified By August 1997.

Sincerely

Mr. James F. Turner
Turner Water System

56 Sunny Acres, Hardin Ky, 40831

James F Turner